

EXECUTIVE DIRECTOR'S MONTHLY REPORT

APRIL 2005

Each month I establish, with input from the Directors, the priority issues on which management and the staff focus. This report summarizes the work that was accomplished during the month as well as other items I feel will give the Council a better understanding of what the staff and I are doing to accomplish our performance objectives.

I. Improve the efficiency and accountability of management within the organization

- SCAG submitted and received reimbursement for its first invoice to Caltrans under the new Master Fund Transfer Agreement (MFTA). The MFTA allows SCAG to change our billing practices to bill Caltrans first and then pay the vendors. This will help us further reduce our use of the Line of Credit.

II. Provide support to the Regional Council in providing direction and Leadership to SCAG

- On March 4th, I attended a Stakeholders meeting with BT&H Secretary Sunne McPeak, Director Lucy Dunn of HCD, and members of the Governor's immediate staff. Included in the meetings were elected officials and staffs of the California League of Cities, CSAC, the California Redevelopment Association, and other CALCOG representatives. On March 23rd I attended a meeting on housing element reform. The meetings discussed legislation the State is proposing to reform Housing Element and Housing Allocation Law. I will report at the Regional Council on these meetings.
- On March 7th I conducted an orientation briefing with Mayor Pro Tem Alan Wapner, City of Ontario; On March 16th I conducted an orientation briefing with Councilman Keith Millhouse, City of Moorpark; On March 30th I conducted an orientation briefing with Councilman John Beauman, City of Brea.
- On March 9th I attended a Business, Transportation and Housing Local Government meeting at the Disneyland Hotel in Anaheim.
- On March 14th I and Lynn Harris met with Lucy Dunn, Director of California Department of Housing and Community Development and Cathy Creswell, Deputy Director to discuss how we would implement the next Regional Housing Needs Allocation in accordance with our settlement agreement with HCD on our last RHNA.
- On March 31st I participated in the "Growing the Region Responsibility –Taking the Next Step Forum" in Long Beach convened by Congresswoman Juanita Millender-McDonald, Senator Alan Lowenthal, and Edward Wilson, president, Gateway Cities Council of Governments. The Forum focused on the impact of the I-710 corridor and the affect on area residents and businesses.
- On April 1st I testified before the Assembly Select Committee on the LA County Health Care Crisis. The subject I was asked to address was whether the region's economic competitiveness is damaged as a result of the crisis.



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- On April 4th, Senate Pro-tem Don Perata invited me and our lobbyist, Paul Bauer, to attend his legislative luncheon to discuss strategies for resolving the Prop 42 funding actions contained in the Governor's Budget. I also met with John Ferrera, staff to the Speaker on the same subject. I will brief the Regional Council on the options that are being proposed.
- The nominating Committee met to consider nominations for the Officers for the coming year. They will present their recommendations at this Regional Council meeting.
- The Bylaws Committee met to consider a quorum issue for the Executive Committee. Their recommendation is being brought forward this month.
- Native American Outreach. SCAG staff and our consultant Joe Myers met with 7-8 tribes' staff to discuss next steps on their involvement with SCAG. The consultant will be reporting to the Executive and Administration Committees this month.

III. SCAG Operations

- The Comprehensive Budget was approved on March 3, 2005 by the Regional Council. The Indirect Cost Allocation plan was submitted to Caltrans ahead of schedule. In approving the Comprehensive Budget, the board released the Overall Work Program portion of the budget for public comment. The work program will be reviewed by our funding partners at our annual Intermodal Planning Group (IPG) meeting on April 27th. The document will be presented for final approval at the May Regional Council meeting.
- Budget Amendment #2 for FY 04/05 was approved on March 1, 2005 and Budget Amendment #3 for FY 04/05 was approved on April 1, 2005.

IV. Implement Adopted Regional Plans

- Maglev. On March 22, 2005 I met with Councilman Greig Smith, City of LA and Wayne Tanda, LADOT relative to Maglev.

SCAG is working with SANBAG, City of Ontario, and City of LA to finalize an agreement on the Memorandum of Understanding for match contributions toward FRA grant funding for the IOS corridor.

On April 1, 2005, Hasan and I attended a meeting with Councilman Alan Wapner, City of Ontario, Councilman Greig Smith, City of LA, Ron Roberts, SCAG's President, and Robin Lowe, SCAG's Maglev Task Force Chair, via phone, Wayne Tanda, LADOT, Norm King, SANBAG, and staffs of various agencies to discuss outstanding issues on the Maglev IOS MOU and JPA. An agreement was reached on formation of a JPA for implementation of a high-speed ground technology along the IOS corridor. Further, the parties agreed on the draft IOS MOU.

After approval by the Regional Council for Cambridge Systematics for the IOS Alternatives Analysis, a pre-award audit is underway and the contract is being drafted.

- COMPASS. The Compass program will be presented on a panel at the UCLA Extension 2005 Annual Smart Growth Conference on May 18, 2005. The conference focuses on solutions to urban development that promote the best long-term interests for growth in California. As a conference participant, SCAG will be providing scholarships to all Regional Council and Policy Committee Members that are interested in attending the one-day conference at the Wilshire Grand Hotel in Downtown Los Angeles.

I have been discussing the formation of a new Compass Committee with various interested parties to help us continue to spread the word about Compass and to assist us in individual cities that may wish to implement Compass principles and the 2% Strategy. The group would tentatively be called "The Compass Partnership" and would be comprised of primarily private sector representatives appointed by the Regional Council along with 3 or 4 Regional Council representatives. The Partnership would have a networking focus rather than a meeting focus and I would take an active role in recruiting members. These discussions will be summarized in a report and recommendation to the Regional Council in May.

- Regional Economic Analysis. Annual Economic Forecast Conference: Efforts are underway to explore potential linkages between SCAG's Annual Economic Conference and the Agency's State of the Region Report. The two events could be brought more closely together in time and become mutually supportive in a marketing sense. Certain regional problems identified in the State of the Region Report could become focal points for the economic presentations and forecasts, pointing to potential solutions.
- Regional Housing Summit. SCAG's 5th Annual Regional Housing Summit: Housing Outside of the Box will promote a public dialogue on the critical land use, housing supply and affordability issues facing California. With astronomical increases in home and rental prices, coupled with several financial constraints on federal, state and local governments to meet current and future housing needs, the challenge is to "think outside of the box."

The SCAG online event registration became available on March 1st for the 5th Annual Regional Housing Summit: Housing Outside of the Box scheduled for April 21, 2005 at Monrovia Community Center. It is currently posted at <http://www.scag.ca.gov/cgi/registration/housingsummit>

The goal of the Summit is to seek new housing solutions. This includes new infill strategies for accommodating growth within existing urban areas and new sustainable development practices in rapidly growing suburban communities. The Summit will also focus on what proposed reforms Governor Schwarzenegger's administration and the legislature are developing for General Plan, Housing and Land Use Elements and proposals to change California building rules.

- Goods Movement. The Southern California Regional Strategy for Goods Movement Action Plan was updated in March at the request of BT&H Secretary Sunne McPeak. In particular, language was added to the report that emphasizes the key role played by our region's ports and goods movement system in the national economy. In collaboration with the CTCs and other stakeholders, SCAG has identified a group of rail and highway projects totaling approximately \$3.5 billion to focus on in creating a template for moving these projects forward. The template would include an analysis of private- and public-sector project value through a set of agreed-on performance measures, along with environmental mitigation and financing strategies.

On March 24th I attended a follow-up meeting with Secretary Sunne McPeak on Goods Movement at Caltrans. The meeting began with an overview of the process so far and a discussion highlighting projects statewide that will improve the goods movement situation. The remainder of the day dealt with public comment on the Summary Action Report that was posted by the Governor's staff on March 18th. The report covered environmental/community impacts, infrastructure, mitigation issues, safety and security.

- Forecasting. Staff analyzed SCAG region employment trend, by county and by industry, using recently released California Employment Development Department data. This was used to prepare 2003 employment information for the Planning and Programming Technical Advisory Committee and the Subregional Coordinator's Group. This effort resulted in a SCAG Region Employment Trend and 2003 Base Year Employment Estimate and Distribution.

On March 10, 2005 staff sent a comprehensive request to all 14 subregions requesting their assistance in gathering data and planning information pertinent to the 2007 forecast. The Coachella Valley COG (CVAG) is the first to respond and has set up a meeting between SCAG staff and cog cities staff to respond to the request. Subregion responses are due April 29th.

- Los Angeles County transportation stakeholders, including SCAG, Caltrans, MTA and City of Los Angeles met recently to discuss I-710 Gap Closure and I-5 Improvements north of Orange County Line. MTA is continuing to pursue the Tunnel Study for the I-710 Gap Closure and the stakeholders present at the meeting were generally supportive of the proposal to study the concept. The issue on I-5 is that there is a continuing bottle neck at the Orange County line because improvements on the Los Angeles County side have yet to be materialized while the improvements on the Orange County side south of SR-91 have been completed for quite some time. As a part of the long term strategy for improvement on I-5, the 2004 RTP continues to support adding 2 Car Pool lanes and 2 Mixed Flow lanes in Los Angeles County north of SR-91 unifying the configuration of the I-5 between the two counties. A portion of this long-term commitment is included in the current RTIP. SCAG will continue to work with the stakeholders in ensuring the implementation of these improvements on I-5. Jim Gosnell attended meetings on these two projects in Sacramento that were convened by Caltrans.

V. Develop Additional Planning Efforts

- NEPA Summit SCAG is working with UC Irvine's Department of Planning, Policy & Design, with the White House's Council of Environmental Quality and the Growth Management Institute in Washington DC, to develop a regional NEPA Summit focusing on the issue of regional goods movement. This Summit is intended as a working session with a strategically selected list of attendees, and with the purpose of demonstrating that a systems approach to NEPA analysis, based on the principles of stakeholder analysis and of adaptive management, would result in an effective, robust and more broadly agreeable problem-solving protocol. This Summit would serve to support staff's work on the 2004 RTP and Growth Visioning, and also to reinforce SCAG's on-going effort to develop a regional environmental analysis protocol.

- Air Quality and Transportation Conformity. Staff submitted to the federal agencies the documentation for the conformity determination on the new 8-hour ozone standard, and staff is coordinating with the federal agencies to complete the initial conformity process under the new standard. The federal agencies are anticipated to approve SCAG's conformity determination by June 2005. The new ozone standard and the new fine particle pollution standard (PM_{2.5}) will require SCAG to continue to work with our partner agencies to develop new Air Quality Management Plans (AQMPs) to demonstrate how Southern California will achieve the new, more protective, air quality goals. The 2007 AQMPs must be submitted to US EPA by June 15, 2007. Staff also met with transportation and air quality agencies to discuss ways to improve the process to identify and expeditiously implement committed Transportation Control Measures (TCMs). These are committed projects and programs that are prioritized to help improve air quality.
- Regional Comprehensive Plan
 1. Staff is pursuing various activities in bringing draft Regional Comprehensive Plan chapters to fruition.
 2. The RCP Task Force began its review of issues for the Water and Open Space Chapters in March.
 3. The Task Force conducted a successful workshop on land use and housing with the Building Industry Association in February. Additional workshops are being developed for other topics.
- Water. On March 11th, staff facilitated a second Antelope Valley water planning workshop at which more than 40 stakeholders discussed groundwater management issues and concerns. Kirby Brill, General Manager of the Mojave Water Agency, gave a history of the Mojave Basin's recent adjudication process, describing its effect on water resources management, as well as its cost and institutional impacts. (This topic followed a previous workshop in which a non-adjudication approach was presented and discussed.) These staff efforts are in response to current water supply uncertainties affecting a key future growth area of the SCAG region.

VI. Data

Data/GIS

- GIS Training for Member Jurisdictions. Building on the successful training program offered by SCAG last year, the GIS staff is preparing for another ArcView GIS training for jurisdictions in the region. The training sessions will be held on April 13th and April 20th in the SCAG offices (11th floor training room). This two-day course is aimed at providing the foundation for becoming a successful ArcView user for the novice. Since space is limited, priority will be given to staff from member jurisdictions.

VII. Legislative Program

- TEA-21 Reauthorization. On March 10th, the U.S. House of Representatives passed H.R. 3 (TEA-LU), the House's six-year, \$284 billion version of the reauthorization of TEA-21. TEA-LU funding levels are 41% higher than TEA-21, authorizing \$235 billion for highways and \$49 billion for transit through FY2009. It also preserves the funding guarantees and firewalls enacted in TEA-21.

Minimum guarantee provisions are still in flux. Under TEA-21, highway programs apportioned by formula and earmarked as high-priority projects were included in the scope of the minimum-guarantee calculations. This applied to about 92% of the funding. However, last year's House bill removed high-priority projects, as well as several new allocated programs, bringing the scope of the minimum guarantee down to only about 84%.

The agreement included in the managers' amendment to TEA-LU would put high-priority projects back under the scope of the minimum guarantee. As states that do well in funding high-priority projects might lose money under this arrangement, the amendment contains a provision that permits "equity adjustments" that would allocate enough additional money to make up the difference. The managers' amendment also increases funding for the five core formula programs by \$4.8 billion and for two new programs (safe routes to schools and freight intermodal connectors) by \$980 million in an attempt to reach the 92% minimum guarantee level. Final resolution of the minimum guarantee will be left to conferees to determine.

- On March 16th, the Senate Committee on Environment and Public Works marked-up SAFETEA, its version of the TEA-21 Reauthorization. Conforming to the funding level of \$284 billion proposed by the Administration, the highway obligation limitation is set at \$221.8 billion for six years. To address donor-donee issues, SAFETEA includes an Equity Bonus program guaranteeing donor states a 92% rate of return by 2009, while setting donor state growth at a minimum of 110% of TEA-21 totals. SAFETEA also increases the MPO planning set aside from 1% to 1.5% of core program funding. Additional portions of the Senate version will be marked-up after the Easter recess, and floor action on the entire bill is expected sometime in the last two weeks of April. The current extension of the federal highway and transit programs expires on May 31st.
- Once the Senate passes SAFETEA, the House and the Senate will form a Conference Committee to negotiate the details of the reauthorization legislation. SCAG plans to continue our advocacy through the conference committee process. It is crucial to the region that the following key issue areas are addressed during the conference: assuring the \$900 million for the Alameda Corridor East, identified as a project of national significance, doesn't count against our minimum guarantee formula; protecting CMAQ funding; assuring California is defined as a high-density state under the Growing and High Density Urban State program; maintaining the Senate increase of PL funding to 1.5%; and including innovative financing tools such as tax credit equity and private activity bonds. Many of these issues have been identified as priorities by our partners at CALCOG and NARC and we are working with our lobbyist, the C2 Group, to develop a strategy to move these issues during the conference committee process.
- State Legislature. I have been participating in task forces in Sacramento on three issues in furtherance of the adopted 2005 State and Federal Legislative Program. They pertain to the CEQA process, housing reform, and the Governor's GoCalifornia package. These task forces represent solid progress on the ideas SCAG has promoted over the course of several years and I look forward to working with the Schwarzenegger administration toward their implementation.

- On March 11th, I testified before the Senate Budget and Fiscal Review Committee's Subcommittee on Transportation regarding the negative impacts of the Governor's budget proposal on Southern California. On March 15th, I joined the CEQA Improvement Advisory Committee to provide input. I am also working with BT&H Secretary Sunne McPeak and Lucy Dunn on moving the 20-year land inventory and making changes in the housing law and the housing element.